

**Intergovernmental Water Board
Meeting Minutes
January 11, 2006**

Members Present: Patrick Carroll (5:40 p.m.), Beverly Froude, Bill Scheiderich, Sydney Sherwood (alternate for Tom Woodruff), and Dick Winn

Members Absent: Tom Woodruff

Staff Present: Dennis Koellermeier, John Goodrich, Nadine Robinson, Greer Gaston

Visitors: Henrietta Cochrun and Paul Owen
Joint Water Commission Staff: Kevin Hanway and Tom VanderPlaat

1. Call to Order, Roll Call and Introductions

The meeting was called to order at 5:35 p.m.

2. Approval of Minutes – December 14, 2005

Commissioner Winn motioned to approve the December 14, 2005 minutes, Commissioner Sherwood seconded the motion. The motion was approved unanimous vote.

3. LeVelle Day Credit for Leak Request

Administrative Services Manager Robinson presented this item. Using existing methodology, Mr. Day's credit would be \$754.11. A credit of this magnitude requires board approval.

Commissioner Sherwood motioned to approve the \$754.11 credit, Commissioner Winn seconded the motion. The motion was approved by unanimous vote.

4. Joint Water Commission (JWC) Presentation

Public Works Director Koellermeier introduced Tom VanderPlaat, with Clean Water Services (CWS), and Kevin Hanway, representing the City of Hillsboro and the JWC. Mr. Koellermeier relayed these individuals were going to provide the board with an update on the Tualatin/Trask water supply.

Mr. VanderPlaat distributed a Powerpoint presentation. The presentation is included in the IWB record. Topics covered in the presentation included the following:

- Background and history of the water supply project
- Feasibility study completed
- Currently working on the environmental impact study (EIS) and permitting process

Note: Commissioner Patrick arrived at the meeting at 5:40 p.m.

- Alternatives presented in the EIS:
 - No action
 - 40-foot raise of Scoggins Dam/Hagg Lake and raw water pipeline pump-back
 - Multiple source option - 25-foot raise of Scoggins Dam/Hagg Lake, raw water pipeline pump-back, and Willamette River treatment plant expansion
- Explanation of pump-back
 - If the dam were raised, the creeks that feed Hagg Lake would not provide enough water to replenish the draw down.
 - In winter, when the water levels are higher in the Tualatin River, the pipeline would be used to pump water from the river into the lake, replenishing the water supply.
- Bureau of Reclamation wanted another option besides the 40-foot dam raise, so the 25-foot raise was used for comparison.
- EIS provides information on the impact of various alternatives, but does make any decisions.
- Decisions are made by policy bodies like the IWB and the Bureau of Reclamation.
- Local agencies will make the decision about their water source.
- \$288 million for dam raise for 40' raise
- \$208 million for dam raise for 25' raise
- Working on securing federal funding for the EIS and feasibility study
 - \$221,000 awarded in last year's budget
 - \$287,000 awarded in this year's budget
- Project timeline
 - Draft EIS out for comments by June 2006
 - Comments addressed
 - Final EIS out in January 2007
 - Start on permitting federal facility
 - Start multi-year design process in 2008
- Cost
 - Tigard's estimated share of the 40-foot dam raise is \$51.6 million
 - Assumed Tigard would not participate in the 25-foot dam raise because Tigard would get water from the Willamette River
- Summarized Tigard's investment to date
 - Tigard's share of the feasibility study \$232,000 (18.8 percent interest)
 - Tigard's share of the EIS \$629,026 (19.5 percent interest)
- In the next few months, Tigard will need to decide if it wants to participate in the final EIS and permitting phase of the project. Tigard's estimated share is

\$558,000 (19.47 percent interest). Tigard is required to participate unless the city finds another partner to take its water.

- The draft of amendment 4 will address how any assets purchased by the project will be handled. This amendment will be ready in the next week or so.

In response to a question about why the Willamette River was included as an EIS alternative, Mr. Hanway replied that when alternatives needed to be presented, the Willamette River appeared to be the best option to supplement the dam raise. He added that if the dam is only raised 25-feet, the system could not meet all the demands of the entire partnership, so a supplemental source needed to be identified for the purpose of comparison. Mr. Koellmermeier explained the EIS process is designed to compare alternatives. He confirmed that the Willamette River was used as the supplemental water source for the 25-foot dam raise since this scenario is plausible and many details regarding this source are already known. Having this option allows the Bureau of Reclamation to compare alternatives.

With regard to funding, Mr. VanderPlaat reiterated that municipal water supplies are not funded by federal government. He relayed that he hoped to get some federal funding for parts of the project such as flood control. He explained the Bureau of Reclamation will sometimes do a 50/50 cost share on feasibility studies and environmental impact studies. This is the federal money they are trying to obtain.

Mr. VanderPlaat relayed that in July, the JWC would finalize the EIS and the permitting. In January 2007, he anticipates the jurisdictions involved will need to decide whether to commit to the design and construction of the project.

A discussion occurred regarding Tigard's financial obligation to the project. Tigard has committed to participate through the EIS (amendment 2) and must fulfill its funding commitments for this phase of the project. The city has not committed to any funding beyond this phase, although most of the other participants have already done so. Since funding is dedicated to pay for each phase of the process, Tigard would not receive any refund should it decide to withdraw from the partnership.

Kevin Hanway introduced himself as the Director of the Hillsboro Water Department. Mr. Hanway noted Hillsboro manages the Joint Water Commission.

Mr. Hanway distributed two handouts depicting the latest drafts of the timing and cost estimates for a 40-foot dam raise. The handouts are included in the IWB record. Mr. Hanway noted the information provided is based on the assumption that all the current partners get the bulk of their water through the JWC. Tualatin Valley Water District (TVWD) customers will be voting on the Willamette as a possible water source in the May election. The TVWD will decide in June whether it will continue as a partner with the JWC or whether it will pursue other options. For the time being, the JWC is operating under the assumption the TVWD will continue as a partner in the dam raising project. The upcoming deadline for the Portland water contract must also be taken into consideration. To replace Portland water, the JWC may have to start the design of a water treatment plant expansion beginning July 1.

Mr. Hanway summarized his handouts which depict a timeline, production, project cost, ownership proportions and investment cost. Current improvements, referred to as near

term improvements (NTI), will bring the Fern Hill reservoir up to 70 mgd capacity. In 2007, the phase one treatment plant expansion will result in 50 mgd. The phase two expansion will be completed and online in 2009, at an estimated cost of \$84 million. Shortly after these expansions are completed, there will be a water deficit to supply the treatment plant. The dam raise is shown to be online by the end of 2012, with production at 120 mgd. This will be combined with the raw water pipeline to avoid flooding from the overflow on the Tualatin River from treatment plant in summer. Phase 3 and 4 of the treatment plant will increase output to 150 mgd. Demand will merit the pump-back in the 2020's with the final treatment plant expansion in 2035.

Mr. Hanway cautioned that the information provided underestimates Tigard's costs because transmission capacity, getting the water from the treatment plant to Tigard, was not included in the calculations. Not only will transmission capacity from the JWC to Hillsboro need to be upgraded, but all the transmission capacity from Hillsboro to Tigard has already been allocated to other JWC partners. A new transmission line, perhaps over Copper Mountain, and some conveyance storage reservoirs would need to be constructed. It is estimated transmission and storage would add an additional \$75 to \$100 million to the overall project. Although some of the partners might share in this cost, Tigard would likely fund the majority of the new transmission and storage because it would receive the greatest benefit.

Mr. Koellermeier interjected that transmission is adequate for current demand because Beaverton is not using its full transmission capacity. At some point, Beaverton is expected to need its surplus capacity. He added that the numbers also didn't include any buy-in to the existing system. The buy-in was estimated to cost between \$15 and \$20 million. Tigard is not participating in the Fern Hill reservoir project.

Due to flooding issues, it was noted the raw water pipeline will be built irrelevant of the dam raise. However, the pump-back construction is contingent on the dam raise going forward.

With regard to the where TVWD and the Wilsonville plant, a rough corridor for the pipeline has been identified and depending on the participants, storage may be located on Beaverton's Dernbackh site.

5. Long-Term Water Supply Decision-Making Process and Criteria

Public Works Director Koellermeier introduced discussed this item. He reminded the board that the City Council supported the idea of establishing criteria for the selection process. Mr. Koellermeier reviewed a handout which depicted potential selection criteria. The scoring method and weighting factors were discussed.

Commissioner Winn corrected the scoring range, changing the range from 0-2 to 1-3. Commissioner Scheiderich did not support weighting the various criteria. Commissioner Carroll expressed an interest in having all the relevant information summarized into a presentation. He explained that some of the options would likely have a fatal flaw and that these options should not be considered since they weren't feasible. Commissioner Carroll requested a summation and fatal flaws analysis of the options. Commissioner Scheiderich proposed weighting could be added at the end of the process.

Commissioner Winn expressed a preference for a summary document with a streamlined layout and bullet points.

Mr. Koellermeier pointed out that not all the pertinent pieces of information may be available. Some assumptions will need to be made. Mr. Koellermeier advised he would work on a comparative analysis of the options.

6. *Board Vacancies/Member At-Large Selection Process*

Both Commissioner Carroll's and Commissioner Scheiderich' terms expired in December 2005. Commissioner Carroll indicated he was willing to serve on the board for another term.

Commissioner Carroll moved to reappoint Commissioner Scheiderich as the member-at-large for another year. Commissioner Winn seconded the motion. The motion was approved unanimous vote. It was noted that Commissioners were appointed for two-year terms and the motion was amended to a 2006-2007 term.

7. *Status Report on the Tigard Water Building*

Public Works Director Koellermeier introduced this item. Commissioner Scheiderich asked if the water building was owned by all members of the service area or was it deemed to be owned by the City of Tigard. Mr. Koellermeier said the answer may be a little of both. The agreement says assets that are used directly for water delivery have been pledged to the City of Tigard. Other assets become the property of the city they reside in.

The question of non-water employees paying rent was raised. Money collected would be put into an account for the benefit of the district members.

Mr. Koellermeier said he wanted to inform the board about the city's proposal to consolidate offices and maximize the use of water building. The building would house water operations and some other functions.

Commissioner Scheiderich suggested the water district, King City and Durham come to the next meeting ready to relay their preference about the issue of the city paying rent for non-water staff who will be working in the water building. It was noted that any facility payment would go to the water fund. Commissioner Scheiderich stated if the City of Tigard was using a water system asset, the city needs to rent it or buy it. Commissioner Carroll concurred.

A discussion occurred about previous City of Tigard staff working in the building and whether or not they paid rent.

It was noted that any improvements to the building would be funded through the city.

Mr. Koellermeier brought up the issue of the water building sign, which is in disrepair. He stated the current sign says "Tigard Water District," and he proposed calling the building "Tigard Water."

8. Informational Items

None.

9. Public Comments

None.

10. Non-Agenda Items

None.

11. Next Meeting – Wednesday, February 8, 2006, 5:30 p.m. – Water Auditorium

Mr. Koellermeier reported he would invite Lake Oswego or Wilsonville to make a presentation at the next meeting. He pointed out the draft Intergovernmental Agreement (IGA) for the feasibility study with Lake Oswego and explained that the IGA would appear on the agenda next month. The estimated cost for the study is expected to be between \$100,000 to 150,000 and will be split by Tigard and Lake Oswego.

12. Adjournment.

The meeting was adjourned at 6:56 p.m.


Greer A. Gaston, IWB Recorder

Date: February 14, 2006